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Multi-year funding framework: securing adequate resources to achieve the medium-term plan priorities

Summary

The present report has been prepared in response to Executive Board decision 1999/8 (E/ICEF/1999/7/Rev.1) on the resource mobilization strategy for UNICEF, adopted at its first regular session in January 1999. In this decision, the Executive Board requested UNICEF to adopt and develop a multi-year funding framework (MYFF) that conceptually integrates organizational priorities and major areas of action, resources, budget and outcomes. The decision also requested the Executive Director to propose at the first regular session of 2000 a plan on the timing of the presentation to the Executive Board of the various elements of the MYFF, with a view to enhancing their interlinkages.

This report draws on the results of technical consultations within UNICEF; a series of informal meetings with members of the Executive Board; and joint discussions with the United Nations Development Programme, the United Nations Population Fund and bilateral agencies in order to learn from and build on experiences.

UNICEF has had a long tradition of results-focused programming and operations. With the introduction of a pledging event at the first regular session of the Executive Board in 2000, UNICEF is well under way to establishing and practising all elements of the MYFF as defined by the Executive Board. These elements will see further development to ensure a greater conceptual integration with clearer interlinkages.

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Chapter I briefly describes the main building blocks of the MYFF and how they function currently. An outline of the system UNICEF intends to build, including the actions planned or under way to strengthen each element as well as the interlinkages among them as part of an overall effort to better manage for and report on results, is contained in chapter II. Chapter III proposes possible changes in the timing of presentation of the MYFF elements to the Board. Chapter IV contains the draft recommendation for Board consideration and approval.

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Abbreviations

AIDS	acquired immune deficiency syndrome
BFHI	Baby-Friendly Hospital Initiative
CDF	Comprehensive Development Framework
CIDA	Canadian International Development Agency
CPMP	country programme management plan
CPR	country programme recommendation
DfID	Department for International Development (United Kingdom)
EDAR II	Executive Director's annual report (part II)
HIV	human immunodeficiency virus
ICC	International Criminal Court
ILO	International Labour Organization
IMCI	Integrated Management of Childhood Illnesses
MENA	Middle East and North Africa
MEP	Management Excellence Programme
MI	Micronutrient Initiative
MTP	medium-term plan
MTRs	mid-term reviews
MTSP	medium-term strategic plan
MYFF	multi-year funding framework
NGOs	non-governmental organizations
OMPs	office management plans
RMT	Regional Management Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
USAID	United States Agency for International Development
WHO	World Health Organization

I. Introduction

1. At its first regular session in January 1999, the Executive Board decided that UNICEF should adopt and develop a multi-year funding framework (MYFF) which conceptually integrates organizational priorities and major areas of action, resources, budget and outcomes (E/ICEF/1999/7/Rev.1, decision 1999/8). The decision also requested the Executive Director to propose at the first regular session in 2000 a plan on the timing of the presentation to the Executive Board of the various elements of the MYFF, with a view to enhancing their interlinkages. The present report has been prepared in response to that decision.

2. As stated in the Board decision, the general objectives of the MYFF are to increase the volume and predictability of regular resources and improve burden-sharing among donors, while maintaining the voluntary nature of contributions to UNICEF. The framework would also aim to strengthen the planning of activities, with the formulation of overall objectives for areas of action in the medium-term plan (MTP), and an estimate of overall UNICEF financial resources required for implementation and annual progress reports. The Board further specified that the MYFF would maintain the priorities and respect the mandate of UNICEF, taking into account the specificity and range of UNICEF country programmes of cooperation. Moreover, it would not introduce any conditionality or result in distortions of priorities or changes in the current system of resource allocation.

3. UNICEF sees the development of the MYFF as an opportunity to further strengthen performance management and consolidate the gains made by the Management Excellence Programme (MEP), while at the same time launching UNICEF into a renewed focus on programme excellence. Emphasis will be on management for results, within a human rights approach, reflecting an organization that learns from its implementation experience to ensure that its actions continue to be relevant and effective.

4. In response to the Board's request, the Executive Director established an interdivisional working group to review relevant Executive Board decisions (1999/7, on revised elements for inclusion in part II of the Executive Director's annual report, and 1999/8), examine current practices and recommend actions in accordance with the decisions. The Executive Director presented oral progress reports at the annual and second regular sessions of the Board in 1999 as requested in decision 1999/8.

5. The working group consulted with the United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA) on a number of occasions to share experiences on the formulation and implementation of the MYFF. The relevant staff of the three agencies maintain regular contact to keep abreast of new developments and ideas. The working group also organized seminars to learn from the experiences of bilateral agencies. The MYFF proposals presented in this report have been discussed at UNICEF Regional Management Team (RMT) meetings in several regions. Each RMT is comprised of country representatives and the regional director, along with relevant senior staff and staff (association) representatives. The proposals have also been reviewed and discussed by the New York Management Team, which comprises the directors of all divisions, the Deputy Executive Directors and the Executive Director. The primary purpose of the in-house consultations was to build organization-wide consensus on the approach and accountabilities for the MYFF. A number of useful informal consultations were also held with members of the Executive Board. Important issues and valuable suggestions from these consultations have informed the proposals presented below.

6. The MYFF is, and should continue to be, an iterative process of learning from implementation experience and using the lessons learned to make further improvements. Therefore, the proposed actions to strengthen links among the MYFF elements described in this report should be considered as works in progress. It is expected that, based on implementation experience, some of the recommended actions may undergo further modification in due course.

II. Planning and achieving results for children

A. Overview

7. UNICEF has had a long tradition of focusing on development results for children. The "Child Survival and Development Revolution", with a focus on survival and health outcomes in the 1980s, and subsequent mobilization around a broader set of global goals for the 1990s, as endorsed in the Declaration and Plan of Action adopted by the World Summit for Children, are among the most recent examples. The overall UNICEF strategy has been to build global and local partnerships and alliances to agree on and take actions to achieve specific results for children. UNICEF has a clear and specific mandate to advocate for the protection of children's rights, to help meet their basic needs

and to expand their opportunities to reach their full potential. A Mission Statement articulating this mandate and its relationship to children's and women's rights (E/ICEF/1996/AB/L.2) was adopted by the Executive Board at its first regular session in January 1996 (E/ICEF/1996/12/Rev.1, decision 1996/1) and serves as a guide to all organizational efforts. UNICEF reports on the results of the global effort in several ways, including through *The State of the World's Children* and *The Progress of Nations* reports, and on its own efforts through the Executive Director's annual progress report to the Executive Board on follow-up to the World Summit for Children.

8. The current practices of UNICEF which serve as the main building blocks of the MYFF are described below.

B. The medium-term plan: organizational priorities

9. The four-year MTP, updated every two years, represents one of the main building blocks of the MYFF in current practice. It sets out a long-term vision for children, organizational priorities and major areas of UNICEF action, along with an estimate of resource requirements and a performance management system to enhance overall effectiveness and reporting on progress. Major areas of action identified by the MTP are set within the framework of the Convention of the Rights of the Child and geared towards achievement of the global goals adopted at the 1990 World Summit for Children as well as relevant goals of other global conferences. For some of the goals, clear indicators of achievement have been developed, and are monitored and reported.

10. The current MTP, which covers the period 1998-2001 (E/ICEF/1998/13 and Corr.1), was adopted by the Executive Board at its second regular session in September 1998 (E/ICEF/1998/6/Rev.1, decision 1998/22). It represents a major departure from previous plans in terms of its strategic orientation and was further welcomed by the Board as "a core element in the resource mobilization strategy and as a flexible, evolving, multi-year strategic framework that integrates a vision for children for the next century, and lays down the organizational priorities and major areas of action and the financial framework" (decision 1999/8).

11. The MTP is formulated through a process of informed analysis and consultation. It guides the preparation of country programmes of cooperation as well as the office management plans (OMPs) for headquarters and regional offices, allowing for incremental adjustments at all levels, while safeguarding the centrality and uniqueness of the country programming process. UNICEF draws strength and flexibility from its decentralized structure and proven country programme formulation process which defines areas of support and strategies for pursuing objectives with the Government and other development partners in each programme country. Specific priorities for country programmes of cooperation are established with national authorities in response to the analysis of the situation of children and women in the particular country, taking into account national, organizational and United Nations Development Assistance Framework (UNDAF) priorities. The objectives, strategies, areas of action and budgetary frameworks for each new country programme are considered and approved by the Executive Board through the country programme recommendation (CPR). Regional offices provide quality assurance and technical support, as needed, to this process.

12. The MTP outlines principles for an enhanced performance management and monitoring system, highlighting the importance of distinguishing between development results for children and the specific organizational performance of UNICEF. It identifies the key elements of effective performance management as follows: clear organizational priorities; carefully defined objectives at each working level; well-defined accountabilities; systematic measuring and reporting on progress towards achievement of objectives; review and analysis of reports on progress; and action to improve or refocus activities on the basis of performance assessment and lessons learned.

13. The current MTP includes, for the first time, an estimated funding target for UNICEF programme priorities, which helps to foster an integrated approach to planning, budget, programmes and reporting on outcomes. The MTP guided the 1998 review of implementation of OMPs at headquarters, as well as the process of preparation of the biennial support budget for 2000-2001 (E/ICEF/1999/AB/L.7).

C. Biennial support budget: the plan guides the budget

14. Whereas the allocation of regular resources to country programmes of cooperation is based on the Board-approved system (E/ICEF/1997/12/Rev.1, decision 1997/18), resource allocation for programme support and for management and administration is achieved through the biennial support budget, which is prepared in a participatory manner and submitted to the Board once every two (odd-numbered)

years. The process follows the principle that "the plan guides the budget".

15. At the country level, the budgets for programme, programme support, and management and administration are integrated, as mandated by Executive Board decision 1997/3 on integrated budgeting. The country programme management plan (CPMP) details the manner in which human and financial resources are to be deployed and managed to support programme implementation, monitoring, evaluation and reporting. The CPMPs are prepared at the time of submission of new CPRs. To ensure integration, the Executive Board has agreed in decision 1997/3 that the support budget should not be formulated before the programme has been sufficiently articulated through the development of the master plan of operations and the draft CPR.

16. UNICEF has followed this practice in preparing the 1998/1999 and 2000/2001 biennial support budgets. Moreover, UNICEF has decentralized the clearance of CPRs, CPMPs and the country integrated budget to the regional level to ensure that decisions are made in response to programme planning requirements.

17. In the formulation of the budgets for headquarters and regional offices for the past two bienniums, each division and office has been required to translate the MTP priorities and major areas of action into their respective OMP objectives. An "open forum" for the presentation and discussion of individual budgets is held at headquarters to ensure cross-functional coordination to improve efficiency and effectiveness.

18. To ensure that the budget proposals are aligned with the available financial resources, since 1997, a baseline envelope is given to each region and headquarters location. Offices are advised to look for savings to offset any cost increases. The entire biennial support budget is presented in the harmonized format as agreed with UNDP and UNFPA. Major areas of increase and savings are clearly described in the budget proposal text, which also delineates the linkage between the budget and the MTP.

D. Resource mobilization strategy

19. A strategy to mobilize the estimated funding target required to achieve the priorities of the MTP was approved by the Executive Board at its first regular session in January 1999 (document E/ICEF/1999/5 and decision 1999/8). This decision introduces a pledging event in the context of the Executive Board meetings as an element aimed at ensuring increased regular resources to UNICEF, greater assuredness and predictability of resource availability, and enhanced burden-sharing among Government donors.

20. The first report on progress in the implementation of the resource mobilization strategy will be included in part II of the Executive Director's annual report (EDAR II) in 2000, and yearly thereafter, to strengthen the interlinkages between resources, planning and results.

E. Reporting on results

21. All country offices undertake an annual review of implementation of the country programme and the CPMP. The former is a collaborative undertaking with Government counterparts and other development partners, while the latter is essentially an internal exercise. The analysis and findings are shared with headquarters and regional offices through the country office annual reports. Each regional office reviews the country office annual reports and shares its broader analysis with the country offices as well as with headquarters. An in-depth review of progress in relation to the objectives of the country programme is undertaken with all partners at mid-term. The outcomes/results of the mid-term reviews (MTRs) are reported to the Executive Board by the regional directors.

22. The programme priorities in the current MTP give particular emphasis to the actions taken to accelerate achievement of the World Summit for Children goals in the final years of the decade. A biannual progress report focusing on major activities and key results at the country level was introduced in 1998 to monitor and accelerate progress in implementation of the current programme priorities. This review process also deals with UNICEF operational support in areas such as the delivery of supplies and equipment; staff capacity to support programme implementation, monitoring and evaluation; communication; and the availability of financial resources to achieve programme priorities. The analysis and conclusions that emerge from this review process are shared with all concerned with a view to improving the next course of action. A peer review process to examine progress in implementation of OMPs at headquarters divisions was an additional mechanism established in 1998.

23. The content of the EDAR II is drawn from these country, regional and global review and reporting processes as well as from the information gathered from programme evaluations, programme audits and internal financial systems. The progress made, constraints faced and lessons learned against each of the organizational priorities of the

MTP were reported to the Board at its June 1999 annual session in an enhanced, more systematized manner in the Executive Director's annual report (E/ICEF/1999/4 (Part II)), which took into account the views and recommendations of the Board on the type of analytical reporting that would facilitate monitoring of progress in achieving organizational priorities in the MTP (decision 1999/7).

24. Working together with national and international partners, UNICEF has been in the forefront of broader efforts to develop and apply indicators and methodologies to measure progress on globally agreed goals and targets for children, particularly within the context of the World Summit for Children agenda and as means to promote implementation of the Convention on the Rights of the Child and the Convention on the Elimination of All Forms of Discrimination against Women. The results of enhanced data-collection efforts are used to feed into programmes at the country level, to report on global indicators in *The Progress of Nations* and *The State of the World's Children*, and to inform efforts to assess the impact of the Convention on the Rights of the Child, as in the case of the Making Children Count initiative. These, in turn, serve as potent instruments for further mobilization around the international goals for children and development.

F. Actions taken to improve organizational effectiveness and efficiency

25. As documented and reported to the Board in document E/ICEF/1998/AB/L.5, the MEP launched in 1996 has resulted in further clarity of accountabilities at all levels and improvements in structure, systems and processes to enhance the organization's capacity to manage its resources, carry out its programme work effectively and account for results. Processes established by the MEP continue to be carried out for ongoing improvements in the internal structures and processes of UNICEF. As part of the larger reform process currently under way throughout the United Nations system, the MEP also seeks to enhance the ability of UNICEF to work in close coordination and collaboration with other United Nations agencies within the context of UNDAF.

26. A new Financial and Logistics System is expected to be fully operational throughout the organization by the end of 1999 to track and control financial transactions and monitor supply operations. The Programme Manager System is now in operation at all country offices and will be fully linked to the new financial system by the end of the year. A revision of the Programme Information Database coding system, which will enhance the reporting of expenditures against the organizational priorities of the MTP, is also under way.

27. Organizational guidelines and training manuals on "Programme Planning and Procedures", "Monitoring and Evaluation" and the formulation of the "Country Programme Management Plan" are all currently being revised to support the strengthening of the focus of UNICEF on children's rights and its ability to monitor, assess and report on organizational performance. A greater focus on staff training accompanies such measures in recognition of the centrality of human resources development to the achievement of organizational priorities. Formats for annual reporting on key results achieved through country programmes of cooperation have been introduced, complementing the procedures for mid-term programme and management reviews, which are already well established.

28. The secretariat is currently examining the country programming process with a view to streamlining the exercise, in line with the strategic MYFF framework.

III. Strengthening and developing interlinkages in the multi-year funding framework

A. Elements of the multi-year funding framework

29. The elements of the MYFF, as defined by the Executive Board, comprise:

(a) The four-year strategic MTP, which presents a complete view of UNICEF organizational priorities, resources and budget;

(b) The biennial support budget, which includes the programme support and management and administrative costs necessary for effective programme delivery against the programme budgets of CPRs approved by the Executive Board;

(c) An analytical annual progress report, which facilitates monitoring of progress in achieving the objectives of the MTP and includes an analysis of progress in implementing the UNICEF resource mobilization strategy, focusing on results against the fund-raising target of the MTP;

(d) A pledging event during which Governments announce their voluntary contributions for the following year

and, if possible, give firm or indicative pledges for future years;

(e) The holding of consultations by the secretariat with individual Governments on their contributions to UNICEF, with particular attention to regular resources.

30. UNICEF plans for the further development of these interrelated elements and the measures being taken are detailed below.

B. Development of the next medium-term strategic plan

31. The next medium-term strategic plan (MTSP) will be strategically focused on a few broad "core result areas". One to two "long-term goals" will be identified for each core result area, and two to three "medium-term targets" will, in turn, be established for each long-term goal. A few well-specified "major areas of action" will then be developed for each medium-term target, and indicators will be adopted for the assessment of progress (see figures 1 and 2 for the strategic results framework and a hypothetical example, respectively). Clear consultative processes will be followed to achieve the best and most effective fit among global, regional and country priorities in the definition and pursuit of all goals, targets and major areas of action.

32. Core result areas for programmes are broad and compelling areas for children's rights. At least three core result areas will focus on outcomes for children's rights in priority programme areas drawn from the emerging "Future Global Agenda for Children", a preliminary outline of which was contained in document E/ICEF/1999/10 submitted to the Executive Board at its June 1999 annual session. This will be further developed with partners over the course of 2000 and 2001. Further core result areas will focus on global advocacy and partnerships for children's and women's rights; strengthened data availability and the use of critical information for children's and women's rights; and organizational strengthening for increased efficiency and effectiveness (e.g. the development of financial and human resources capacities). The core result areas and their components will be a mix of well-established result areas, for which aggregate, quantified reporting is already feasible, and emerging result areas, for which mainly qualitative reporting will be used.

33. Long-term goals identified for each core result area will include major development results for children to be achieved over a period of 10 or more years. As an important partner, UNICEF will build its own intellectual/technical capacity, resource mobilization and extensive cooperation support for the achievement of the long-term goals. These long-term goals will take into account the existing internationally agreed-upon goals, with adjustments, where necessary, to be responsive to the evolving context in which children live. As in the case of the goals of the World Summit for Children, these long-term goals will make important contributions to the full realization and sustaining of children's rights.

34. Medium-term targets against which UNICEF will report will be established for each of the long-term goals, along with related major areas of action. The targets will emphasize outcomes, but could also include some outputs. Indicators will be adopted for progress and process monitoring and performance assessment against each medium-term target in the MTSP.

35. While the core result areas and long-term goals established through consultative processes will be pursued as relevant in all regions and country programmes of cooperation, regional sub-emphases and strategies will be developed around them according to more specific issues affecting children's rights (e.g. AIDS and malaria control in relation to global survival-related results and protection in conflict related to global special protection results). These will be reflected widely in country programmes in the particular region. As is current practice, there will also be scope for country programmes to respond to specific national/local priorities and opportunities, to innovate in emerging priority areas, and to respond to emergency situations and unstable conditions. The MTSP will reflect any important regional sub-emphases around the core result areas, with associated medium-term regional sub-targets within the global targets, and indicators of progress against each sub-target. This will allow UNICEF to benefit from its decentralized capacity to adapt global priorities and strategies to fit the reality of regional and cross-country diversity. At the same time, the regional sub-emphases will remain within the scope of the overall core result areas, goals and targets, thereby assuring complementarity of planning functions at different levels of the organization and avoiding duplication.

36. The medium-term targets and major areas of action will also be established through a consultative process involving all levels of the organization. This process will take into account objectives and strategies of ongoing country programmes, implementation experience during the past decade, analysis of past expenditure patterns, the priorities of other partners and anticipated future trends. Country offices will systematically assess the relevance of the MTSP global and subregional medium-term targets in

future country programme formulation processes, taking into account the country-level situation analysis of children and women, national priorities, and the strategic focus of UNDAF and the Comprehensive Development Framework (CDF) where these exist. This process will ensure a constant interplay between the response to local realities and the focus on global targets.

37. The envisaged outline format of the next MTSP is as follows: (a) organizational priorities, including core results areas (global, plus regional sub-emphases); their relation to longer-term goals for the realization of major development results for children; and associated medium-term targets and indicators; (b) strategies and major areas of action; (c) global resource requirements; (d) performance monitoring, including main indicators and planned major evaluations; and (e) financial plan. Basically, this will be a continuation of the current format, with the long-term goals, targets and associated indicators clearly outlined in relation to each MTSP core result area.

C. The support budget and the programme budget

38. At the country level, the new country programmes will include an integrated budget (programme and support budgets) and a CPMP reflecting their relationship to the MTSP. For ongoing country programmes, country offices will review the need for adjustments to their support budgets at annual or mid-term reviews when programme priorities are adjusted, if necessary, to align more closely with the organizational priorities of the MTSP. Under the existing procedure, country offices have the flexibility of proposing changes to their support budgets as long as the changes can be accommodated within the regional allocations of funds and posts. In some cases, however, this may not be possible.

39. To overcome this problem, there needs to be flexibility to enable the Executive Director to adjust the post pyramid within the approved budgetary appropriations to best respond to programme and resource situations. An appropriate reporting mechanism for this would be built into the MYFF elements to ensure transparency.

40. To fully translate the MTSP priorities into the budget/staffing structure, the time-frame for strategic planning and budgeting also needs to coincide. Following the same rationale for the integrated budget, as explained in paragraph 15 above, the support budget should not be formulated before the MTSP has been sufficiently articulated and assimilated throughout the organization. Therefore, the timing of the preparation of the support budget, together with other initiatives proposed in the MYFF, need further review (see paras. 56-57 below).

41. Major changes and investments in organizational units will be explained in the context of the MTSP. Achieved or expected improvements in efficiency or effectiveness will also be highlighted.

D. Analytical reporting on results linked to expenditures and funding

Results-based reporting to the Executive Board against the medium-term strategic plan

42. Key results achieved through activities supported by UNICEF, as measured against each of the medium-term targets within the core result areas, will be reported to the Executive Board on an annual basis through the EDAR II. This will include areas where UNICEF is providing major support inputs or technical leadership and major areas of UNICEF collaboration. The reported results will be a judicious selection of outcomes and output data, including results of a qualitative and "process" nature. The report will also include results from global advocacy and partnerships. Reporting measured against the result areas and targets will be presented in analytical form, and will include analysis of constraints and lessons learned, supported by summary matrices containing key results aggregated across the organization and linked to estimated expenditures (see annexes I, II and III for illustrative examples). Strengthened evaluation activities will be a key component in improving systems for reporting on results.

43. Selected global/regional analyses of key results with a longer-term impact will be presented periodically in the EDAR II (perhaps one to two themes per report), showing how UNICEF programme activities or advocacy efforts have made a difference across a number of countries. These analyses will also address key aspects of a rights-based approach to programming, including participation, empowerment and the sustainability of results. The scheduling of these in-depth focus areas will be shaped by the content of the MTSP and will be proposed in the next MTSP for the first year of implementation and in the respective EDAR II for subsequent years. They will incorporate and highlight the results of country reports on indicators for the goals, multiple indicator cluster surveys, household surveys, global/regional reviews and evaluations (including of UNICEF management issues). They will also incorporate reporting on the World Summit for Children

goals in order to make a stronger link between UNICEF work and global mobilization efforts and achievements.

44. UNICEF is confident that it can meet these reporting standards by strengthening the quality of and incrementally building on existing processes. Key results will be drawn from country office annual reports, thematic multi-country evaluations and studies, and country programme evaluations and assessments, including end-of-cycle evaluations. As the organization builds capacity and experience, several end-of-cycle evaluations should be available annually for possible highlighting in the EDAR II. The report will also cover some areas where UNICEF is not taking a global lead, but where country-specific programmes may represent new and emerging trends. Major successes, partnerships, breakthroughs and innovations in country programmes, as well as failures and lessons learned, will be analysed. The EDAR II will be complemented by the existing regional reports on MTRs and major evaluations undertaken in specific countries, which will also be presented at the annual session of the Executive Board.

45. The EDAR II will include an assessment of progress on medium-term targets for management and operations contained in the MTSP. The assessment will be based primarily on annual reviews of headquarters and regional OMPs and CPMPs, supplemented by performance data from a variety of sources, including evaluations and audits.

46. Taken together, the above components of the EDAR II will provide a well-rounded overview of results associated with UNICEF work at all levels, with linkages to the pre-established broad global targets in the MTSP as well as outcomes in financial resource utilization. They will cover a balanced mix of annual outputs, medium-term outcomes, and illustrative examples of organizational innovation, management improvement and learning from experience. A more comprehensive, summative report on key results achieved and outcomes attained over the four years covered by the MTSP will be incorporated into the EDAR II of the final year of the MTP.

47. The challenge of the "attribution" of results is a serious one, which will be addressed in a practical manner. With support from regional offices and headquarters, improved planning and setting of objectives at the country level will be accompanied by strengthened monitoring and evaluation to help specify and identify the UNICEF contribution to overall results. The aggregation of results attributed in significant part to UNICEF cooperation will be undertaken mainly from the "project" level, where the effect of UNICEF support can be assessed most directly. The annual report to the Board will aim to articulate as clearly as possible the nature and significance of the UNICEF contribution to each of the results being reported as well as the nature of the partnerships involved.

48. The scope for attribution of results from UNICEF cooperation in the context of sector-wide programmes and other similar emerging mechanisms, such as the CDF, will depend particularly on clear specification of UNICEF roles and contributions in areas such as technical assistance, support to pilot approaches and child-focused advocacy. Reporting on results will be strengthened through incorporation in sector plans, where possible, of output and outcome indicators that relate specifically to the rights and needs of children and women.

Reporting on expenditure and funding

49. Future annual reports to the Executive Board on the MTSP will report on estimated aggregate expenditures in the previous year against each core result area and, as far as possible, in relation to specific targets. The present expenditure coding systems allow for at least reasonable estimates to be provided, and the structure and definition of codes will be revised prior to the next MTSP. Multi-year trend analysis of expenditures in the main core result areas will also be included, along with a functional breakdown (e.g. supplies, cash assistance).

50. Broad global estimates of future expenditures in core result areas can be given based on past trends and projections. In keeping with the decentralized nature of UNICEF, the bulk of UNICEF resources are allocated within countries in response to national priorities, and among countries according to the Board-approved system for allocation of regular resources. As described earlier, the identification of country programming priorities is guided by the MTSP. Over time, MTSP priorities can be progressively reflected as appropriate in revised resource allocations within country programmes through annual reviews, MTRs, the formulation of new CPRs/CPMPs, and the allocation of the global 7 per cent regular resources set-aside. The actual outcomes against MTP core result areas and targets will then be reflected in the annual report for the year just passed.

IV. Proposed timing of submission of the elements of the multi-year funding framework to the Executive Board

51. Currently, the timing of submission of the elements of the MYFF to the Executive Board follows a certain internal logic. The proposed new timing, as described below, attempts to relate the elements more closely to each other either in timing or in substance, with a view to strengthening the results-based focus of presentations and fostering a more strategic involvement and oversight by the Board.

A. Second regular session

52. The second regular session will focus on planning issues, including the following:

(a) The MTSP, to be presented once every four years;

(b) Annual updates of the financial components of the MTSP;

(c) CPRs.

53. It is proposed that the current rolling MTP (1998-2001) remain valid through the end of 2001, thereby eliminating the need for a major update in 2000. The next MTSP will be presented in 2001, covering the four-year period from 2002 to 2005. The postponement of the next MTSP to 2001 will allow fuller consideration of the results of the end-decade review of the World Summit goals and of the emerging "Future Global Agenda for Children". It will also provide more time to test and improve new approaches to results-based management. The Executive Board can be kept informed of updates and refinements to the current MTP through a separate section of the EDAR II.

54. It is further proposed that the MTSP be a fixed four-year plan that will double the time available for implementation between plans and keep specific goals and targets valid for at least four years. Implementation reviews and a mid-term assessment, both provided through the EDAR II, will allow for any adjustments to the MTSP that may be needed, along with an update of the budget for the last two years of the MTSP. Provisions will be made for a final MTSP review in the fourth year as part of the presentation of the subsequent MTSP in 2005.

55. As is usual practice, and pursuant to decision 1995/8 (E/ICEF/1995/9/Rev.1), the CPRs that are prepared as addenda to the country notes considered by the Board at its first regular session of the same year will continue to be approved on a "no objection" basis. Any Board member wishing that a particular country programme be brought before the Board for discussion is required to inform the secretariat of its intentions in writing. Other CPRs (short-duration, additional regular resources, stand-alone proposals for funding from other resources) will continue to be open for discussion by the Board.

B. First regular session

56. This session will focus largely on the budget, financial resources and strategic issues in programme cooperation. It will consist of the following:

(a) The biennial support budget for the first two years of the MTSP in the first regular session after approval of the MTSP, and the biennial support budget for the final two years of the MTSP at the first regular session of the third year of the MTSP;

(b) A pledging event for Governments to announce voluntary contributions to UNICEF regular resources;

(c) The regular joint session of the Executive Boards of UNICEF and UNDP/UNFPA and the World Food Programme;

(d) Country notes.

57. The preparation of the biennial support budget will begin when the result areas and strategies have been well-articulated and the MTSP is in the final stages of completion. After deliberations on the MTSP by the Executive Board at its second regular session, any comments will be incorporated in the final biennial support budget. The budget will be submitted to the Advisory Committee on Administrative and Budgetary Questions for its review prior to approval by the Executive Board at its first regular session in the year after approval of the MTSP. Its format will follow the harmonized format with UNDP and UNFPA.

58. At the annual pledging event, Governments in a position to do so will announce their voluntary contributions to UNICEF regular resources as a firm commitment for the current year, a firm or indicative pledge for the following year and a tentative pledge for a third year, in accordance with Executive Board decision 1999/8. Governments which are unable to do so at this session shall communicate their firm commitments and indicative pledges to the Executive Board and the UNICEF secretariat once their budgetary

processes are complete, if possible no later than April each year.

59. Country notes are designed to inform the Board at an early stage in the country programming process of the ideas regarding the mix and weight given to programme strategies and priorities. The country notes are presented a year before implementation of the new country programme begins.

C. Annual session

60. The annual session will consolidate all elements of reporting on results, including resource mobilization results, and also provide the occasion to present and discuss policy issues. The session will include the following:

(a) The EDAR II, including any necessary update of the MTSP as well as resource mobilization results. Once every four years, the EDAR II will present a consolidated review of the results against the MTSP;

(b) Reports on field visits of Board members, with a particular focus on programme implementation and its impact;

(c) Regional reports on MTRs and major evaluations of country programmes of cooperation.

V. Draft recommendation

61. The Executive Director *recommends* that the Executive Board approve the following draft recommendation:

The Executive Board

1. *Endorses* the proposed timing of the presentations to the Executive Board of the various elements of the multi-year funding framework, with due regard for the extra provisions regarding the proposed changes to the support budget (as outlined in paragraph 3 below);

2. *Affirms* the validity of the current medium-term plan to the end of 2001 and *endorses* the proposal that the next medium-term strategic plan (MTSP) be presented to the Executive Board in 2001 for a fixed period of four years (2002-2005);

3. *Requests* the Executive Director to submit the proposed modifications to the budget process (as described in paragraphs 39 and 57 of document E/ICEF/2000/5) to the Advisory Committee on Administrative and Budgetary Questions for its review and comments prior to final submission of a revised budget process to the annual session of the Executive Board in 2000, in view of the importance of flexible responses to programme and resource situations for achievement of the MTSP priorities;

4. *Requests* the Executive Director to submit to the Executive Board, through part II of her annual report, updates, as and when necessary, of the programmatic content of the MTSP during the four-year duration.

Figure 1. Proposed Strategic Results Framework

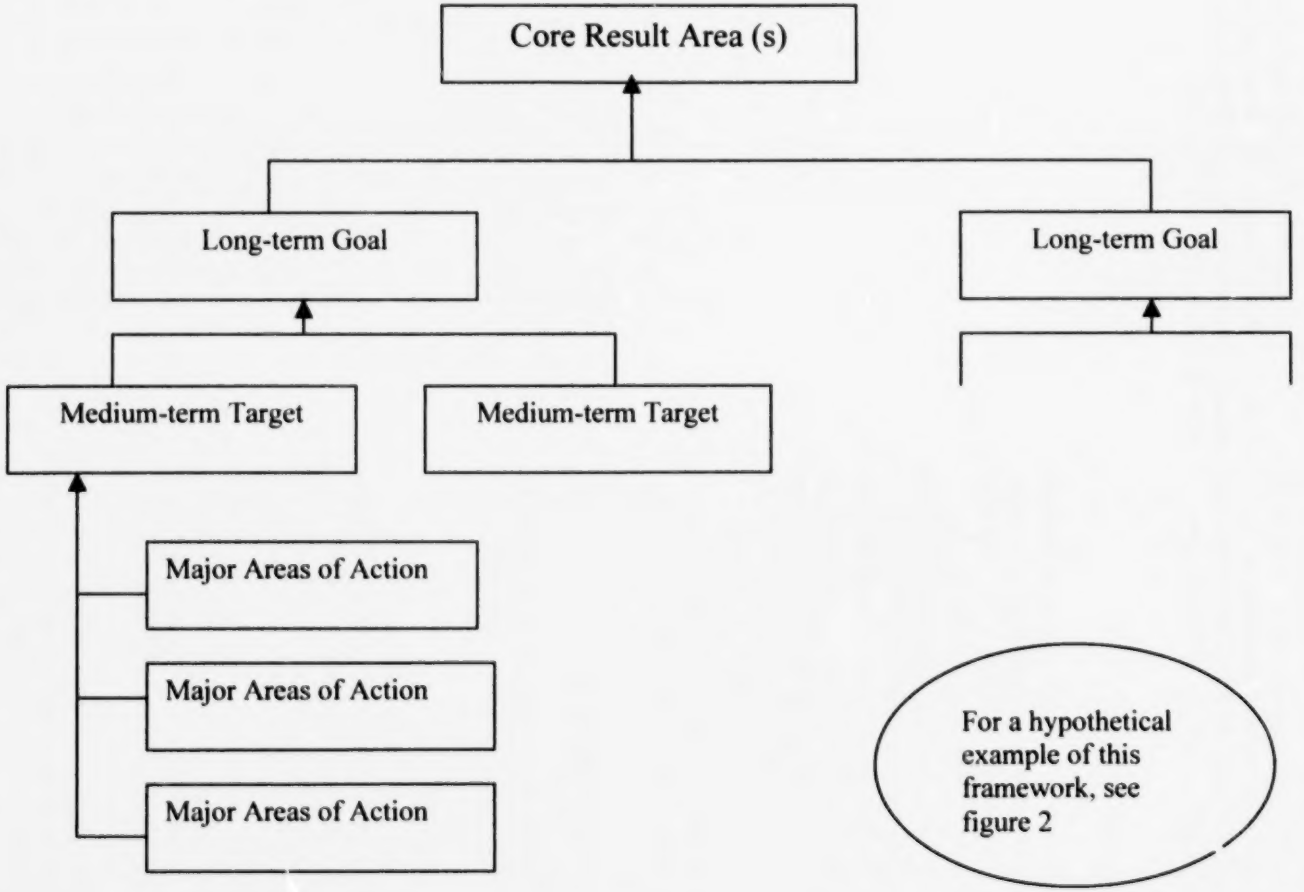
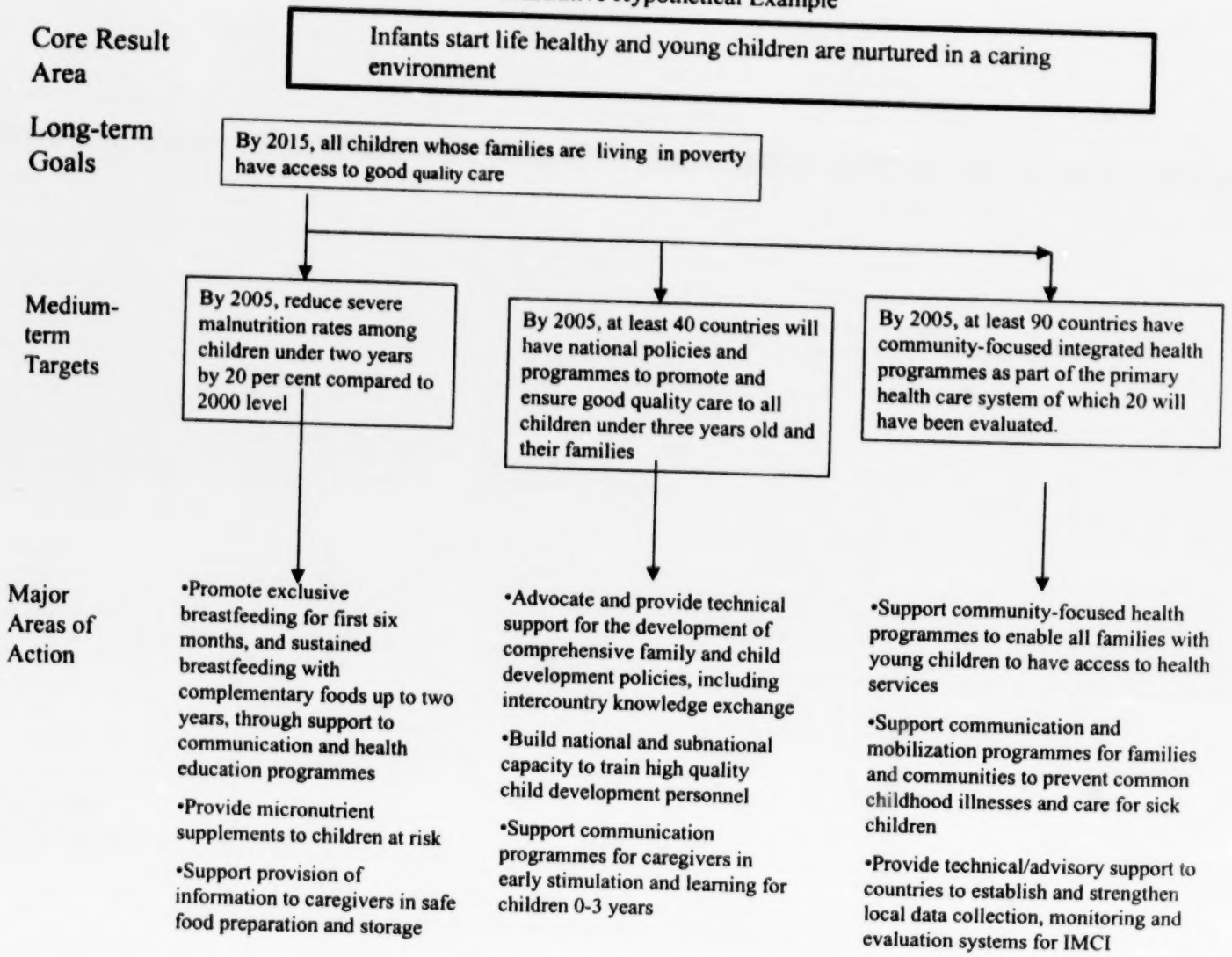


Figure 2. Proposed Medium-Term Strategic Results Framework:
Illustrative Hypothetical Example


Core Result Area
Infants start life healthy and young children are nurtured in a caring environment
Long-term Goals
By 2015, all children whose families are living in poverty have access to good quality care
Medium-term Targets
By 2005, reduce severe malnutrition rates among children under two years by 20 per cent compared to 2000 level
By 2005, at least 40 countries will have national policies and programmes to promote and ensure good quality care to all children under three years old and their families
By 2005, at least 90 countries have community-focused integrated health programmes as part of the primary health care system of which 20 will have been evaluated.
Major Areas of Action
•Promote exclusive breastfeeding for first six months, and sustained breastfeeding with complementary foods up to two years, through support to communication and health education programmes
•Provide micronutrient supplements to children at risk
•Support provision of information to caregivers in safe food preparation and storage
•Advocate and provide technical support for the development of comprehensive family and child development policies, including intercountry knowledge exchange
•Build national and subnational capacity to train high quality child development personnel
•Support communication programmes for caregivers in early stimulation and learning for children 0-3 years
•Support community-focused health programmes to enable all families with young children to have access to health services
•Support communication and mobilization programmes for families and communities to prevent common childhood illnesses and care for sick children
•Provide technical/advisory support to countries to establish and strengthen local data collection, monitoring and evaluation systems for IMCI

Annex I. Illustrative Summary Reporting Format for Executive Director's Annual Report - *Nutrition Hypothetical Example (to be accompanied by analysis in text)*

MTSP Core Result Area and Medium-Term Targets	Major Areas of Action Last Year	Key Results Achieved Last Year	Constraints and Lessons Learned	Estimated Expenditure Last Year in Result Area
Nutrition	Supply of vitamin A supplements and salt test kits; advocacy on BFHI and the Code; technical support to development of feeding options			$53.5 million ($22 million regular resources)
Medium-Term Target A – *At least 80% coverage of children with vitamin A supplementation in 70 countries with vitamin A deficiency problem*	Provision of vitamin A capsules; policy advocacy; supply of health communication materials Participation in global advocacy group with CIDA, USAID, DfID, WHO, MI	Of 64 countries with vitamin A deficiency problem conducting national immunization days, 42 provided vitamin A supplements; about 24 million children benefited. 30 of these countries reported >80% coverage rate	Inadequate funding for capsules Stronger advocacy needed with Governments to cover costs of supplementation Strategies needed to ensure second annual high dose per child	$21 million ($12 million regular resources) + donations-in-kind (12 million capsules)
Medium-Term Target B – *Expanded coverage of Baby-Friendly Hospital Initiative (BFHI) and full compliance with the International Code of Marketing of Breast Milk Substitutes (the Code) to 20,000 hospitals and 40 countries, respectively*	Code monitoring activities and advocacy by UNICEF and supported partner NGOs Monitoring and assessment of BFHI activities in 95 countries	Number of certified BFHI hospitals rose to 14,653 in 1999 from 12,500 in 1998; rapid rise especially in Eastern Europe Exclusive breastfeeding trends improved in 21 countries 5 countries passed legislation covering all areas of the Code	Lack of understanding of BFHI in countries with high HIV prevalence will require intensified advocacy and training Annual reports indicate that commercial advertising is often presented as nutrition education, thus need for further advocacy	$17.5 million ($8 million regular resources)
Medium-Term Target C - *Provide safe infant feeding options to all HIV-positive mothers using maternities in 45 countries*	Planning undertaken with Governments for pilot projects in 11 countries	Training manual on infant feeding counselling finalized/distributed in 8 countries	Gaps in knowledge on infant feeding options require support for research Risks in artificial feeding require improved enforcement of the Code	$5.3 million approximately ($4 million regular resources) + donations-in-kind
Cumulative Impact for Longer-Term International Goals in Nutrition	Vitamin A coverage rates doubled in Africa since mid-1990s; fell in parts of South-East Asia; decline worldwide in prevalence of vitamin A deficiency	Countries fully implementing the Code rose from 11 in 1994 to 20 currently; number of BFHI hospitals rose from 2,952 in 1994 to over 14,500 currently	Infant feeding counselling at pilot stage. Revised ILO Maternity Protection Convention is likely to increase support to breastfeeding rights	

Annex II. Illustrative Summary Reporting Format for Executive Director's Annual Report - *Basic Education Hypothetical Example (to be accompanied by analysis in text)*

MTSP Core Result Area and Medium-Term Targets	Major Areas of Action Last Year	Key Results Achieved Last Year	Constraints and Lessons Learned	Estimated Expenditure Last Year in Result Area
Basic Education	Technical support to curriculum revision; advocacy of models of child-friendly school; emergency classroom supplies in 15 countries			$95.6 million (of which $28 million regular resources)
Medium-Term Target A – *Curriculum revision for life skills to empower children in 95 countries*	Technical support for curriculum revision provided in 35 countries, of which 15 in the Americas and Caribbean region and 12 in MENA under a regional initiative Global assessment workshop held with UNESCO	New curricula for secondary schools adopted in 17 countries, under revision in 20 others 19 additional countries officially committed to curriculum reform	Evaluations in 4 countries showed importance of systematic teacher training; frequent resistance to participatory learning methods	$27 million approximately ($15 million regular resources)
Medium-Term Target B – *Introduce policies and mechanisms for the development of child-friendly schools in 60 countries*	Advocacy undertaken with Governments for child-friendly school initiatives in 57 countries Consultations held with 80 villages and schools in 8 countries	Child-friendly school initiatives in 40 countries Children and families in one half of these countries confirmed improvement in the learning environment	Mid-term reviews showed importance of periodic and participatory monitoring of child-friendly standards and of obtaining children's views about improvements in the learning environment	$19 million approximately ($12 million regular resources)
Cumulative Impact for Longer-Term International Goals in Basic Education	15 countries since 1998 achieved a > 10% rise in students graduating primary school; 20 countries a > 10% rise in the number of girls	Net primary enrolment rate has increased from 65% to 68% globally, and from 53% to 59% for girls, in the period 1998-2002	Net primary enrolment rates rose by 3% in sub-Saharan Africa, 2% in MENA, 7% in South Asia since 1998	

Annex III. Illustrative Reporting Format for Executive Director's Annual Report - *Global Advocacy and Partnerships Hypothetical Example (to be accompanied by analysis in text)*

MTSP Core Result Area and Medium-Term Targets	Main Areas of Action Last Year	Key Results Achieved Last Year	Constraints and Lessons Learned	Estimated Expenditure Last Year in Result Area
Global Advocacy and Partnerships Strengthening of the international legal framework for the protection of children's rights	Contributed to drafting and campaign for ratification of the Statute of the ICC. Participated in drafting and campaigned for the adoption of the Optional Protocol to the Convention on the Rights of the Child to raise the minimum age for recruitment into armed forces and participation in hostilities to 18 years		Importance of building partnerships for these causes and raising awareness on their value, including at regional conferences	
Medium-Term Target A - *In light of the recognition by the Statute of the International Criminal Court (ICC) of various crimes against children as war crimes, ratification of the ICC Statute by 60 countries, thereby enabling its entry into force*	Identified, from among the first 84 countries to have signed the Statute, those most likely to quickly ratify. Produced information kit and identified sources of technical support for use by relevant country offices and National Committees in targeting key actors at the country level	Strategies for awareness-raising and technical assistance developed and launched in 65 countries	Shortage of legal expertise and contacts among country offices hampering efforts to assist Governments in identifying specific needs for review of existing laws, drafting amendments and enacting new legislation where required for ratification	$350,000, plus staff time allocated by Evaluation, Policy and Planning Division, Child Protection Section, regional and country offices
Medium-Term Target B - *Adoption of an Optional Protocol to the Convention on the Rights of the Child, raising the minimum age for recruitment into armed forces and participation in hostilities from 15 to 18 years of age*	Coverage of issue in press releases and speeches by Executive Director and other senior staff. Networking with key NGO partners. Organization of regional conferences by the Eastern and Southern Africa and the Americas and Caribbean Regional Offices and in Europe (Berlin). Participation at meetings of the Working Group of the Commission on Human Rights on the Optional Protocol	Specific strategies to address opposition to the Optional Protocol launched in three countries. Expressions of support for the Protocol by key figures in the targeted countries. Resolution supporting the Protocol adopted by the Organization of African Unity. Decision of Secretary-General to establish 18 years as the minimum age requirement for United Nations peacekeepers. Secretary-General's report to Security Council on Protection of Civilians	Opposition by a range of countries to 18 years as a minimum age in the Protocol	$55,000 (including $5,000 in regular resources)
Cumulative Impact of Long-Term Goals in Global Advocacy and Partnerships		Four countries ratified ICC Statute and 23 others have embarked upon reviews of legislation intended to establish the requirements for ratification. Ten countries have raised to 18 years the minimum age of recruitment to their armed forces. The global total number of children under 18 years old who are members of armed forces is estimated to have declined by 8%		